

Message Text

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INFO OCT-01 ISO-00 CIAE-00 PM-04 H-02 INR-07 L-03 NSAE-00

NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 SAM-01 AF-08

OPIC-03 EB-07 OMB-01 TRSE-00 /079 W

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R 061717Z AUG 76

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 8123

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY MOSCOW

AMCONSUL OPORTO

AMEMBASSY PARIS

AMCONSUL PONTA DELGADA

USMISSION NATO

DIA WASDC

USCINCEUR VAIHINGEN GER

C O N F I D E N T I A L SECTION 1 OF 2 LISBON 5349

E.O. 11652: GDS

TAGS: PINT, PO

SUBJECT: ASSEMBLY DEBATE ON GOVERNMENT PROGRAM

SUMMARY: ASSEMBLY DEBATE ON GOVERNMENT PROGRAM OPENED AUGUST 5 WITH MILD CRITICISM FROM POPULAR DEMOCRATS AND CENTER DEMOCRATS, SHARPER ATTACKS BY THE COMMUNISTS, AND VICIOUS ASSAULT BY FAR-LEFT UDP DEPUTY. ASSEMBLY ACCEPTANCE OF GOVERNMENT PROGRAM APPEARS ASSURED, AS NEITHER THE PPD NOR CDS IS LIKELY TO SUPPORT A REJECTION MOTION. REMARKS BY COMMUNIST LEADER ALVARO CUNHAL RECOGNIZED THE NEED FOR DRASTIC ECONOMIC MEASURES, BUT ASSURED THAT THE COMMUNISTS WOULD OPPOSE MOST MEASURES PROPOSED BY THE GOVERNMENT. END SUMMARY.

1. COOLNESS FROM CUNHAL: PCP LEADER, WHILE STATING THAT COMM-
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UNISTS WOULD NOT SYSTEMATICALLY OPPOSE THE PROGRAM,

LABELLED IT COMPOSITION AND PROGRAM INADEQUATE IN
CURRENT CIRCUMSTANCES. HIGHLIGHTS OF CUNHAL'S REMARKS FOLLOW:

- THE PCP RECOGNIZES SEVERAL POSITIVE IDEAS
IN SOARES'S PROGRAM, BUT HAS SERIOUS RESERVATION
REGARDING THE GOVERNMENT POSITIONS ON CRUCIAL PROBLEMS;
- THE GOVERNMENT MUST ASSURE TRUE PLURALISM IN
RADIO, TELEVISION, AND PRESS, AND NOT SIMPLY A
MEDIA AT THE SERVICE OF THE GOVERNING PARTY;
- AN END TO IDEOLOGICAL PURGES SHOULD MEAN AN
END TO DISCRIMINATION AGAINST THE COMMUNISTS, BUT
NOT THE REINTEGRATION OF "FASCISTS" INTO THE BUREAUCRACY;
- THE SOLUTION TO NATIONAL PROBLEMS IS POLITICAL,
AND NOT MERELY THE APPLICATION OF THE LAW: ANTI-POPULAR
MEASURES WILL MEET RESISTANCE;
- THE PCP IS CONCERNED WITH THE GOVERNMENT'S
EMPHASIS ON "WORKER RESPONSIBILITIES: EQUAL
EMPHASIS SHOULD BE PLACED UPON COMBATING "ECONOMIC
SABOTAGE" AND "IMPERIALIST ECONOMIC PRESSURES;"
- THE DIFFICULT ECONOMIC SITUATION REQUIRES
URGENT MEASURES TO INCREASE PRODUCTION AND REDUCE
CONSUMPTION OF LUXRIES BY "PARASITES,"
- ECONOMIC RECOVERY CANNOT BE ACCOMPLISHED AT THE
EXPENSE OF THE POOR THROUGH CONTROLLED WAGES AND
PLANNED INFLATION NOR THROUGH CAPITALIST RECOVERY,
AS THE GOVERNMENT PROGRAM ENVISAGES;
- THE REASSUMPTION OF ECONOMIC POWER BY BIG CAPITAL
AND LANDOWNERS WOULD PRODUCE SERIOUS REACTIONS;
- THE PCP IS CONCERNED OVER HOW AGRARIAN REFORM
WILL BE APPLIED;
- GOVERNMENT INTENTION TO SEEK MORE LOANS FROM
"IMPERIALIST" COUNTRIES RUNS THE SERIOUS RISK OF MAKING
PORTUGAL MORE DEPENDENT AND SUBJECT TO POLITICAL
PRESSURES;
- PRIVILEGED RELATIONS WITH UNITED STATES AND EUROPE
WILL REINFORCE PORTUGAL'S DEPENDENCY;
- PCP DOES NOT ARGUE FOR PORTUGAL TO LEAVE NATO
BUT BELIEVES THE NATO BRIGADE IS INOPPORTUNE.

2. MOLD CRITICISM FROM PPD: PPD DEPUTIES MADE THE FOLLOWING
POINTS:

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- ONLY THE GOVERNMENT, NOT THE ASSEMBLY OR THE
PRESIDENT, CAN BE HELD RESPONSIBLE FOR THE GOVERNMENT
PROGRAM;
- GOVERNMENT PROPOSALS IN AREAS OF SOCIAL SECURITY,
HEALTH, AND EMIGRATION ARE ACCEPTABLE.
- PPD AZOREAN LEADER, MOTA AMARAL COMMENTED UPON HIS ARRIVAL
IN LISBON THAT AZOREAN AUTHORITIES CONSIDERED THE PS
GOVERNMENT PROGRAM QUITE CONSTRUCTIVE. HE SAID THAT

THE GOVERNMENT PROGRAM MERITED THE FULL SUPPORT
OF THE PPD IN THE AZORES. HE FORESAW CLOSE COOPERATION
BETWEEN THE PS GOVERNMENT AND THE PPD REGIONAL
GOVERNMENT IN THE AZORES.

3. MILD PRAISE FROM CDS PRESIDENT FREITAS DO AMARAL
MADE THE FOLLOWING POINTS:
-- THE POSITIVE ASPECTS OF THE GOVERNMENT PROGRAM ARE
ITS MODERATION, PRAGMATISM, AND REALISM;
-- MANY PROGRAM ELEMENTS ARE DRAWN FROM CDS PROPOSALS;
-- PROGRAM DEFECTS OUTWEIGH THE POSITIVE ASPECTS;
-- PROGRAM IS TOO VAGUE AND HAS NOT BEEN RELATED TO
PROJECT COSTS;
-- PROGRAM PRESCRIBES STOPGAP MEASURES NOT A RECOVERY
FROM ECONOMIC CRISIS;
-- PROGRAM IS INSUFFICIENTLY SPECIFIC ON THE ROLE OF
THE PRIVATE SECTOR;

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5. PS APPEARS CONFIDENT: SOCIALIST PARTY DEPUTIES SALGADO ZENHA AND ANTONIO REIS DEFENDED THE SOCIALIST PROGRAM BEFORE THE ASSEMBLY. REIS SAID THAT THE PS PROGRAM HAD NOT CHANGED, BUT THAT THE PROPOSALS OF OTHER PARTIES IN THE ASSEMBLY HAD MOVED CLOSER TO THE CONSTITUTION.

UDP STILL SEEKING VILLIANS:
FAR LEFT UDP DEPUTY ACACIO BARREIROS TOOK ADVANTAGE OF THE TELEVISED ASSEMBLY PROCEEDINGS TO LAUNCH A VICIOUS ATTACK ON THE SOCIALIST PROGRAM, NATO, AND THE UNITED STATES. AFTER BARREIROS HAD REFERRED TO AMBASSADOR CARLUCCI AS "A BANDIT" AND A "CIA OPERATIVE," WHICH DREW MURMURS OF DISSENT FROM THE DEPUTIES, BARREIROS WAS WARNED BY THE ASSEMBLY PRESIDENT THAT HE WOULD NOT BE ALLOWED TO CONTINUE IF HE MADE FURTHER CONFIDENTIAL

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REFERENCES TO REPRESENTATIVES OF COUNTRIES WITH WHOM PORTUGAL MAINTAINS DIPLOMATIC RELATIONS. WHILE BARREIROS SAVED SOME HARSH WORDS FOR THE "REVISIONIST" CUNHAL AND THE PCP, THE UDP DELEGATE DIRECTED MOST OF HIS ATTACKS UPON HIS MOST POWERFUL ENEMY OF THE MOMENT: THE SOARES GOVERNMENT AND THE WEST.

6. COMMENT: AFTER FIRST DAY'S DEBATE, APPROVAL OF GOVERNMENT PROGRAM SEEMS ASSURED. CDS AND PPD ARE REASONABLY SATISFIED WITH THE SOCIALIST PROGRAM. PPD DEPUTY FLOOR LEADER CHARACTERIZED THE SOARES PROGRAM TO EMBOFF AS EXTREMELY MODERATE. THE PPD AND CDS ARE ASSIDUOUSLY READING ALL FAULTS THEY FIND INTO THE RECORD, AND ARE CAREFULLY DISASSOCIATING THEMSELVES FROM ANY RESPONSIBILITY FOR THE PROGRAM. BTU NEITHER PARTY WILL PROPOSE A MOTION TO REJECT THE PS PROGRAM, AND NEITHER IS LIKELY TO SUPPORT SUCH A MOTION. MOTA AMARAL'S COMMENTS ON FUTURE AZOREAN-PS GOVERNMENT RELATIONS, REFLECT CONSIDERABLY MORE OPTIMISM THAN MANY OF HIS PPD COLLEAGUES IN THE AZORES.

7. THE COMMUNISTS DIRECTED HARSH CRITICISM AND SEVERAL WARNINGS TO THE SOCIALISTS. CUNHAL'S REACTION WAS Milder THAN MANY EXPECTED, CONSIDERING THE CONTENT OF THE PROGRAM. BUT WHILE THE PCP READILY ACCEPTS THE NEED FOR ECONOMIC RECOVERY, THE COMMUNISTS ARE LIKELY TO OPPOSE MOST GOVERNMENT MEASURES. WHILE THE SINGLE UDP DEPUTY IS AN ABERRATION WITHIN THE ASSEMBLY, HIS REMARKS ARE A REMINDER THAT THE U.S. REMAINS A TARGET.

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